



November 4<sup>th</sup>, 2016

***Via Electronic Submission***

California Air Resources Board  
1001 I Street  
Sacramento, CA 95812

**Re: Comments of Sealaska Corporation on ARB's October 21 Cap-and-Trade Regulation Workshop and the Proposal to Reduce the Offset Credit Usage Limit**

Dear Air Resources Board Staff:

Thank you for this opportunity to comment on the proposals that the California Air Resources Board ("ARB") presented at the October 21 stakeholder workshop, and in particular that portion of the workshop dedicated to AB 197 and Post-2020 Cap-and-Trade Program Design. We write specifically to address the potential design change of reducing the current offset credit usage limit of 8%.

Sealaska Corporation ("Sealaska") is an Alaska Native Regional Corporation established under the Alaska Native Claims Settlement Act of 1971. Our roughly 22,000 shareholders are all descendants of the Tlingit, Haida and Tsimshian Native peoples, the traditional homelands of which are the forests and coastline of Southeast Alaska, extending from Yakutat on the north to the Queen Charlotte Islands of British Columbia on the south. One of Sealaska's responsibilities is to manage approximately 360,000 acres of forestland within these traditional homelands for the benefit of its shareholders. In fulfilling its responsibilities, Sealaska is guided by its values to build excellence in its Native enterprise and take action that strengthens its people, culture and homelands. The first of these values is "Our Land," which has four principles:

- The land is the basis of our collective identity and culture
- Utilizing the land while protecting for future generations
- Sustainable relationship with our lands
- Sustainable community economies

I invite you to visit Sealaska's website ([www.sealaska.com](http://www.sealaska.com)) for information about its values, its people and its work.

While Sealaska has engaged in natural resources development and extraction, we see great benefit in participating in ARB's Cap-and-Trade Program to combat climate change by developing a forest offset project. We strongly support California's commitment to combat climate change and forest offset projects are consistent with

Sealaska's values. We are deeply concerned that ARB is considering reducing the current offset credit usage limit post-2020, as it would pose a direct threat to the offset program that includes forest projects such as ours.

The offset program is an important cost flexibility mechanism for compliance entities in California and as such helps to provide stability to the Cap-and-Trade program and California's economy. However, its benefits extend far beyond that, providing important environmental and economic co-benefits both within California and beyond its borders. We know that ARB understands the importance of the latter. California has provided invaluable leadership in both the national and international efforts to combat climate change, for it understands that on this issue it cannot stand alone. We are all in this together – and the offset program has been an effective way to draw others to join California in this critical effort. It has served to build allegiances across boundaries and incentivized actions by diverse interests in the fight against climate change. Such broad and unified efforts will be necessary for any meaningful impact on the problem of global warming.

And offset projects are making real impacts today. Both by legal definition and ARB's strict oversight, offsets make real, quantifiable, enforceable, verifiable, additional, and permanent GHG reductions. Forest offset projects across the country have sequestered millions of tons of carbon. Tangible evidence of the success of the offset program can be seen in the hundreds of thousands of acres of standing, healthy forests. These forests, in addition to sequestering carbon, provide essential wildlife habitat. In Sealaska's case, we intend to include in our forest project areas that border sensitive marine habitat, and thus will help to protect those as well.

Importantly to us and our Native shareholders, California's offset program also provides a means of preserving a way of life that has continued for over ten thousand years. Alaska's rural villages are some of the most economically depressed in the country. Forest offset projects like ours will bring economic benefits to the Native peoples of Alaska, while preserving rather than exploiting our traditional homelands.

Our people empathize with the social and economic marginalization experienced by those communities in California that have suffered at the hands of resource exploitation and industrialization. We too know what it is like to have our health and welfare diminished by the conflict that sometimes arises between meeting compelling economic demands on the one hand and sustaining a healthy environment on the other. The offset program, however, helps to relieve that conflict, providing an opportunity to achieve economic stability *by means of* sustainable conservation. This allows us to protect the needs of our shareholders and preserve our ancient values and way of life.

In sum, reducing the usage limit on offset credits not only would raise the cost of the Cap-and-Trade Program for compliance entities (which costs likely would be passed onto consumers), it would undermine all of these important co-benefits. It would cripple an important tool to get others to join California in the fight against climate change, and would greatly reduce the environmental and economic co-benefits that the offset program brings, often to communities that are disadvantaged. For all of these reasons, Sealaska respectfully requests that ARB not pursue this proposal to reduce the current offset credit usage limit beyond 2020.

Sincerely,

Sealaska Corporation

A handwritten signature in black ink, appearing to read "Anthony Mallott", written in a cursive style.

Anthony Mallott  
President and CEO